

PERFORMANCE AUDIT
OF THE
BUREAU OF HUMAN RESOURCE SERVICES
DEPARTMENT OF CIVIL SERVICE

October 1999

EXECUTIVE DIGEST

BUREAU OF HUMAN RESOURCE SERVICES

INTRODUCTION	This report, issued in October 1999, contains the results of our performance audit* of the Bureau of Human Resource Services, Department of Civil Service (DCS).
AUDIT PURPOSE	The performance audit was conducted as part of the constitutional responsibility of the Office of the Auditor General. Performance audits are conducted on a priority basis related to the potential for improving effectiveness* and efficiency* .
BACKGROUND	<p>DCS was established by the Executive Organization Act of 1965. DCS is under the jurisdiction of the Civil Service Commission, which consists of four nonsalaried members appointed by the Governor.</p> <p>Article 11, Section 5 of the State Constitution specifies the Commission's responsibilities. These responsibilities have been translated into the <i>Rules of the Civil Service Commission</i>.</p> <p>Human resource related customer services and work force acquisition responsibilities are primarily administered by Bureau staff in the Lansing central office. The Bureau is separated into human resource services</p>

* See glossary at end of report for definition.

groups and teams to provide services to appointing authorities* that are necessary to acquire and manage the State's work force. Each group provides its assigned State agencies with human resource management services in the areas of recruitment, applicant assessment, employment list* processing, classification, performance management, and student programs. The Detroit regional office maintains an informational office to serve residents and employees of southeastern Michigan.

For the fiscal year ended September 30, 1998, the Bureau's expenditures totaled approximately \$4.4 million. As of February 28, 1999, DCS had 66 employees assigned to the Bureau.

**AUDIT OBJECTIVES
AND CONCLUSIONS**

Audit Objective: To assess the effectiveness and efficiency of the human resource related customer services provided by DCS to the State.

Conclusion: We concluded that DCS's human resource related customer services provided to the State were generally effective and efficient. However, we noted reportable conditions* related to regional offices, pay-for-performance appointments, limited-term appointments*, and emergency appointments* (Findings 1 through 4).

Audit Objective: To assess the effectiveness and efficiency of the work force acquisition responsibilities provided by DCS to the State.

Conclusion: We concluded that the work force acquisition responsibilities provided by DCS to the State were generally effective and efficient. However, we noted

* See glossary at end of report for definition.

reportable conditions related to the removal of names from employment lists and the processing of applications (Findings 5 and 6).

**AUDIT SCOPE AND
METHODOLOGY**

Our audit scope was to examine the program and other records of the Bureau of Human Resource Services. Our audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

Our audit procedures included an examination of records and activities primarily for the period July 1, 1997 through February 28, 1999.

To accomplish our audit objectives, we reviewed DCS's organizational structure, annual management plans, performance objectives, and user satisfaction survey responses. We evaluated, on a test basis, human resource related customer services and work force acquisition responsibilities to determine the accomplishment of DCS's performance objectives. We reviewed the internal controls* of various activities administered within the Bureau.

**AGENCY RESPONSES
AND PRIOR AUDIT
FOLLOW-UP**

Our audit report includes 6 findings and 6 corresponding recommendations. DCS's preliminary response indicated that it agreed with all of the recommendations.

* See glossary at end of report for definition.

DCS had complied or partially complied with 16 of the 29 prior audit recommendations included within the scope of our current audit. One recommendation was repeated in this report. Twelve recommendations were no longer applicable.

Ms. Susan Grimes Munsell, Chairperson
Civil Service Commission
and
Mr. John F. Lopez, State Personnel Director
Department of Civil Service
Capitol Commons Center
Lansing, Michigan

Dear Ms. Munsell and Mr. Lopez:

This is our report on the performance audit of the Bureau of Human Resource Services, Department of Civil Service.

This report contains our executive digest; description of services; audit objectives, scope, and methodology and agency responses and prior audit follow-up; comments, findings, recommendations, and agency preliminary responses; and a glossary of acronyms and terms.

Our comments, findings, and recommendations are organized by audit objective. The agency preliminary responses were taken from the agency's responses subsequent to our audit fieldwork. The *Michigan Compiled Laws* and administrative procedures require that the audited agency develop a formal response within 60 days after release of the audit report.

We appreciate the courtesy and cooperation extended to us during this audit.

Sincerely,

Thomas H. McTavish, C.P.A.
Auditor General

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Description of Services

The Department of Civil Service (DCS) was established by the Executive Organization Act of 1965. DCS is under the jurisdiction of the Civil Service Commission, which consists of four nonsalaried members, not more than two of whom shall be members of the same political party. The Governor appoints the members for terms of eight years, no two of which shall expire in the same year. Article 11, Section 5 of the State Constitution specifies the Commission's responsibilities. These responsibilities have been translated into the *Rules of the Civil Service Commission*.

Major organizational units of DCS include: Office of the State Personnel Director, Office of Performance Excellence, Office of Internal Auditor, Office of Merit Systems Services, Office of Employment Relations and Management Services, Bureau of Technical Review, and Bureau of Human Resource Services.

Human resource related customer services and work force acquisition responsibilities are primarily administered by Bureau of Human Resource Services staff in the Lansing central office. The Bureau is separated into human resource services groups and teams to provide services to appointing authorities that are necessary to acquire and manage the State's work force. Each group provides its assigned State agencies with human resource management services in the areas of recruitment, applicant assessment, employment list processing, classification, performance management, and student programs. The Detroit regional office maintains an informational office to serve residents and employees of southeastern Michigan.

For the fiscal year ended September 30, 1998, Bureau expenditures totaled approximately \$4.4 million. As of February 28, 1999, DCS had 66 employees assigned to the Bureau.

Audit Objectives, Scope, and Methodology and Agency Responses and Prior Audit Follow-Up

Audit Objectives

Our performance audit of the Bureau of Human Resource Services, Department of Civil Service (DCS), had the following objectives:

1. To assess the effectiveness and efficiency of the human resource related customer services provided by DCS to the State.
2. To assess the effectiveness and efficiency of the work force acquisition responsibilities provided by DCS to the State.

Audit Scope

Our audit scope was to examine the program and other records of the Bureau of Human Resource Services. Our audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

Audit Methodology

Our audit procedures included an examination of records and activities primarily for the period July 1, 1997 through February 28, 1999. Our work was performed between August 1998 and February 1999.

To accomplish our audit objectives, we reviewed DCS's organizational structure, annual management plans, performance objectives, and user satisfaction survey responses. We evaluated, on a test basis, human resource related customer services and work force acquisition responsibilities to determine the accomplishment of DCS's performance objectives. We reviewed the internal controls of various activities administered within the Bureau.

We tested DCS's monitoring of emergency and limited-term appointments, pay-for-performance awards, and annual performance appraisals. We evaluated the effectiveness and efficiency of operating the Detroit and Escanaba regional offices.

We evaluated DCS's efforts to provide other State departments with quality employment lists by reviewing DCS's application, examination, and recruitment processes.

In addition, we evaluated DCS's efforts to comply with applicable DCS rules and regulations.

Agency Responses and Prior Audit Follow-Up

Our audit report includes 6 findings and 6 corresponding recommendations. DCS's preliminary response indicated that it agreed with all of the recommendations.

The agency preliminary response which follows each recommendation in our report was taken from the agency's written comments and oral discussion subsequent to our audit fieldwork. Section 18.1462 of the *Michigan Compiled Laws* and Department of Management and Budget Administrative Guide procedure 1280.02 require DCS to develop a formal response to our audit findings and recommendations within 60 days after release of the audit report.

DCS had complied or partially complied with 16 of the 29 prior audit recommendations included within the scope of our current audit. One recommendation was repeated in this report. Twelve recommendations were no longer applicable.

COMMENTS, FINDINGS, RECOMMENDATIONS, AND AGENCY PRELIMINARY RESPONSES

HUMAN RESOURCE RELATED CUSTOMER SERVICES

COMMENT

Background: The human resource related customer services of the Department of Civil Service (DCS) are designed to ensure the proper classification and compensation of all positions in the classified service; maintain a work force of the highest level of competence; enable State government to be an equal opportunity employer; be fair, equitable, and defensible; be open and accessible to applicants; and be responsible to the work force needs of State government.

Audit Objective: To assess the effectiveness and efficiency of the human resource related customer services provided by DCS to the State.

Conclusion: We concluded that DCS's human resource related customer services provided to the State were generally effective and efficient. However, we noted reportable conditions related to regional offices, pay-for-performance appointments, limited-term appointments, and emergency appointments.

FINDING

1. Regional Offices

DCS had not improved the efficiencies of the Bureau of Human Resource Services by consolidating the classification and selection activities of the Detroit and Escanaba regional offices with the Lansing central office.

During fiscal year 1997-98, the Detroit office had a staff of 9 full-time employees, consisting of a division administrator, executive secretary, 3 professional analysts, and 4 clerical support staff, and the Escanaba office had 1 full-time employee and 1 part-time examination monitor. During the same period, the Lansing office had, on average, 54 full-time employees, consisting of 2 division administrators, 2 executive secretaries, 31 professional analysts, and 19 clerical support staff.

Both the Lansing office and Detroit office performed classification and selection activities, including processing redeterminations and position action requests, completing desk audits, processing employment applications, recruiting employees, administering various examinations, and responding to telephone and walk-in inquiries. The Detroit and Escanaba offices serve as informational offices, administering various examinations and responding to telephone and walk-in inquiries.

DCS had summarized selected output data for the Lansing and Detroit offices for fiscal year 1997-98. We compared the output per employee for the Lansing and the Detroit offices:

	<u>Lansing</u>	<u>Detroit</u>
Applications completed per employee per month	48.9	38.2
Classification activities processed per employee per month	12.5	6.9
Average number of employees	54	9

Within the last few years, DCS has made extensive changes in how it provides services to the State. With the advancement of telecommunications, including e-mail, fax machines, toll-free telephone numbers, and a Lansing office Internet web site, many of the tasks that were regionalized for the benefit of the diverse locations of State employees can now be as effectively managed with one centralized office. Individuals are now able to obtain applications for State employment over the Internet. Individuals can also obtain information regarding State employment examinations from DCS's web site. Access to the Internet is available at many local high schools and public libraries as well as through home computers. In addition, DCS's toll-free telephone number provides both State employees and individuals interested in State employment with direct access to Bureau staff. The toll-free telephone number routes all calls placed anywhere in the State to the Lansing office. With changes in technology, individuals today can obtain information or assistance from the Lansing office instead of the regional offices.

The Detroit office was estimated to cost approximately \$644,000 to operate during fiscal year 1998-99. This included the salaries and wages of 9 employees, travel, rent, data and telephone lines, equipment, and other administrative expenses. The Escanaba office cost approximately \$88,500 to operate during fiscal year 1997-98. This includes the salaries and wages of 1 full-time employee and 1 part-time examination monitor, travel, and rent. The work load of both offices could be as effectively managed through the Lansing office. By consolidating the classification and selection activities of the Detroit and Escanaba offices with the Lansing office, DCS could realize some substantial cost savings.

RECOMMENDATION

We recommend that DCS improve the efficiencies of the Bureau by consolidating the classification and selection activities of the Detroit and Escanaba regional offices with the Lansing central office.

AGENCY PRELIMINARY RESPONSE

DCS agreed with management practices that will improve and maximize operational efficiencies of the Bureau. DCS will comply in part with the recommendation to consolidate the regional offices by closing the Escanaba office effective October 1, 1999. DCS is currently developing performance measures that will more accurately identify benefits and productivity of the Detroit office. When such performance measures are established and results evaluated, DCS will initiate the appropriate action that best fits its strategic plan.

FINDING

2. Pay-for-Performance Appointments

DCS needs to improve controls to ensure that appointing authorities complied with DCS rules and procedures concerning pay-for-performance appointments.

Five different groups of employees participate in the pay-for-performance program. These include: selected positions in Groups 1 - 3, Group 4, Senior Executive Service (SES), Senior Executive Management Assistant Service (SEMAS), and the Department of Attorney General Performance Pay Program.

The following chart provides summary information regarding the employees in the five groups during fiscal year 1997-98:

Group	Number of Employees	Employees Receiving Bonuses	Average Bonus Amount
Groups 1 - 3	826	153	\$ 995
Group 4	1,387	539	\$1,640
SES	102	44	\$2,920
SEMAS	95	16	\$1,619
Attorney General	332	181	\$2,777

The pay-for-performance program is designed to establish and maintain an appropriate relationship between performance and pay. Performance appraisals are used by the appointing authority to determine eligibility for salary adjustments and bonuses. Performance pay awards, which are at the discretion of the appointing authority, may take the form of a base salary increase, a bonus (lump-sum award), or a combination of both. The rules and regulations establish caps on the amount of bonuses for employees in the pay-for-performance program. Performance appraisals and salary reviews must be conducted annually for all employees in the pay-for-performance program. Eligibility for a performance pay award is dependent upon the appointing authority's annual appraisal of the performance of an employee.

Our review of the pay-for-performance program disclosed:

- a. The files for 12 of 40 Group 4, SES, and SEMAS employees tested did not include an annual performance appraisal on file at DCS. Sections 2-26.5 and 2-4.4(d)(2) of the *Rules of the Civil Service Commission* and the *Civil Service Commission Compensation Plan* (section D, Compensation and Fringe Benefits Rules, Equitable Classification Plan Group 4 Rule 3.3) require the appointing authority to conduct an annual performance appraisal for all Group 4, SES, and SEMAS employees. DCS procedures require the appointing authorities to submit performance appraisals for all Group 4, SES, and SEMAS employees annually to DCS.

- b. The files for 5 of 11 Group 4, SES, and SEMAS employees who received bonuses did not include proper documentation to support the employees' bonuses. DCS procedures require an approval of the bonus and the submission of an annual performance rating of at least "meeting expectation" before receiving any performance pay award. Only 11 of the 40 Group 4, SES, and SEMAS employees received bonuses. Two of the 5 employees are included in the 12 employees mentioned in item a.
- c. The files for 4 of 10 SES and SEMAS employees tested did not include a signed contract as required by the *Rules of the Civil Service Commission*.

DCS needs to improve its monitoring system to ensure that it receives annual performance appraisals, bonus approvals, and supporting documentation (including signed contracts) for all pay-for-performance employees.

RECOMMENDATION

We recommend that DCS improve controls to ensure that appointing authorities comply with DCS rules and procedures concerning pay-for-performance appointments.

AGENCY PRELIMINARY RESPONSE

DCS agreed that improvement in controls over pay-for-performance appointments was needed and informed us that it has complied with the recommendation. In July 1999, the Civil Service Commission approved revisions to the Compensation and Fringe Benefits Rules and on September 1, 1999, the State personnel director issued Appointing Authority Letter CS-6906, Regulation on Performance-Pay Programs. Changes in the regulations will allow DCS to more effectively monitor the pay-for-performance program and perform control-related tasks.

FINDING

3. Limited-Term Appointments

The Bureau had not established controls to ensure that appointing authorities complied with DCS regulations concerning the use of limited-term appointments (LTAs).

DCS regulation 3.10 states that LTAs are appointments expected to last at least 720 hours but have fixed ending dates and shall not exceed two years unless approved for extension by DCS. State departments may use LTAs for seasonal work and special projects and as a means of ensuring that an employee's work performance is acceptable before being hired into a permanent position. Departments may also use LTAs for positions when there is difficulty in determining the duration of need for a particular work assignment.

As of September 30, 1998, there were 4,011 LTAs. Of these, we identified 245 appointments to non-preauthorized* positions and 399 appointments to preauthorized* positions that were for more than two years.

We tested 7 LTAs appointed to non-preauthorized positions and 5 LTAs appointed to preauthorized positions that were for more than a two-year duration to determine whether DCS had approved the LTA appointments that exceeded the two-year limitation. Our review disclosed:

- a. Three of the 7 appointments of LTAs to non-preauthorized positions did not have documentation from the appointing authorities requesting approval to extend the appointment.
- b. Five of the 5 appointments of LTAs to preauthorized positions did not have documentation from the appointing authorities requesting approval to extend the appointment. The support staff had incorrectly concluded that LTAs appointed to preauthorized positions did not need DCS's approval to extend the limited-term appointment.

DCS has allowed other departments to use LTAs to perform routine, recurring functions in positions that were continually necessary. We question the effectiveness of DCS's review and approval in allowing appointing authorities to use LTAs to fill these positions.

* See glossary at end of report for definition.

RECOMMENDATION

WE AGAIN RECOMMEND THAT THE BUREAU ESTABLISH CONTROLS TO ENSURE THAT APPOINTING AUTHORITIES COMPLY WITH DCS REGULATIONS CONCERNING THE USE OF LTAs.

AGENCY PRELIMINARY RESPONSE

DCS will comply with the recommendation by establishing the necessary controls to ensure that documentation of its approvals for all LTA extensions are maintained for audit purposes.

FINDING

4. Emergency Appointments

The Bureau had not established sufficient controls for documenting the proper review and continued monitoring of emergency appointments to ensure that appointing authorities complied with established procedures.

The primary method for filling positions in the State classified service is through the use of employment lists. However, appointing authorities may make emergency appointments under certain conditions. DCS regulation 3.10 states that:

Emergency Appointment means an appointment based upon a short-term, urgent need (a) arising outside normal working hours or (b) in the absence of available names on an employment list.

These appointments shall not exceed 30 days, unless approved for extension by DCS. A series of emergency appointments cannot be used to maintain employment in the State classified service. It is important for DCS to control the use of emergency appointments to ensure that other departments do not circumvent the State's hiring process.

Our review of emergency appointments for 49 appointees made during fiscal year 1997-98 disclosed that 8 appointees served more than one emergency appointment in the same department and job class. The Bureau did not have documentation from the appointing authorities requesting approval to extend the appointment. Appointee history records indicated that 3 of the 8 appointees

served either 3 or 4 appointments during a period of 66 to 116 days. Fourteen of the 41 appointees with only one emergency appointment served between 33 and 83 days in the 30-day appointment.

Establishing controls to document the proper review and approval of emergency appointments would help ensure that appointing authorities comply with emergency appointment procedures.

RECOMMENDATION

We recommend that the Bureau establish sufficient controls for documenting the proper review and continued monitoring of emergency appointments to ensure that appointing authorities comply with established procedures.

AGENCY PRELIMINARY RESPONSE

DCS agreed to improve its internal controls over monitoring emergency appointments. It will also maintain appropriate documentation to support its review for extending emergency appointments beyond 30 days.

Current Personnel-Payroll Information System for Michigan (PPRISM) procedures will automatically terminate an emergency appointment at the end of the pay period in which the appointment exceeds 30 calendar days, unless specific action is taken by DCS to extend the appointment. DCS must enter a transaction in PPRISM to extend an emergency appointment. This transaction is essential for an employee to get paid.

DCS believes this control is sufficient to ensure that review is performed; however, DCS believes that it can do a better job of documenting this review and maintaining the documentation for audit purposes.

WORK FORCE ACQUISITION RESPONSIBILITIES

COMMENT

Audit Objective: To assess the effectiveness and efficiency of the work force acquisition responsibilities provided by DCS to the State.

Conclusion: We concluded that the work force acquisition responsibilities provided by DCS to the State were generally effective and efficient. However, we noted reportable conditions related to the removal of names from employment lists and the processing of applications.

FINDING

5. Removal of Names From Employment Lists

The Bureau had not developed controls to ensure that the names of all applicants and employees ineligible for State employment were included in the Bureau's database and were removed from DCS employment listings.

Section 3-2.7 of the *Rules of the Civil Service Commission* establishes procedures that applicants must comply with when an applicant requests consideration for examination or appointment. It defines prohibited practices* that the applicant cannot do during the application, examination, or appointment process. It also summarizes the sanctions* available to DCS if an applicant violates the rules. These sanctions include canceling or limiting the applicant's eligibility for State employment or requiring separation from State employment.

To identify applicants who have violated these rules, the Bureau developed an internal database of individuals ineligible for State employment because of DCS sanctions. This database was developed to ensure that the names of sanctioned individuals did not appear on DCS employment listings. The individuals included on the internal database are coded as sanctioned individuals in DCS's Automated Creation and Certification of Eligible Lists System* (ACCEL). If an individual were to reapply for State employment after being sanctioned, this system would alert the Bureau. The Bureau would then refer to the internal database to identify the type and duration of the sanctions. This database could also be used in other instances when individuals have become ineligible for State employment.

* See glossary at end of report for definition.

In our review of the Bureau's controls for identifying and monitoring sanctioned employees, we determined:

- a. As of December 31, 1998, the names of 32 sanctioned employees, including 7 former employees who had received some type of redemption settlement* from the State, were on the DCS database. The Bureau did not have written procedures to ensure that after employees were sanctioned by DCS, the employees' names were removed from the Layoff/Recall Register, the Standard Certifications and Referral List, and any other employment lists.
- b. During fiscal year 1997-98, there were 212 former State employees who received workers' compensation* redemption settlements. As a condition of the redemption settlement, these employees waived* their rights to future State employment. The names of all former employees who have waived their rights to future State employment should be included in the Bureau's database of individuals ineligible for State employment.

In our performance audit of Workers' Compensation Administration, issued in June 1997, we noted that DCS did not have written procedures to ensure that, after an employee signed a waiver of employment as a condition of a workers' compensation redemption* , the employee's name was removed from DCS employment listings. The audit report also noted that the Department of Management and Budget (DMB) did not have procedures requiring the employee's department to contact DCS when an employee signed a waiver of future State employment. Currently, DMB maintains records of all employees who have signed a waiver of employment as a condition of a workers' compensation redemption. However, DMB was not aware of the Bureau's internal database as a means of monitoring these former employees.

Written procedures would help to ensure the monitoring of individuals who are ineligible for State employment and to ensure that these individuals are not considered for subsequent employment. Allowing ineligible names to remain on the employment lists hampers DCS's efforts to protect other departments from hiring potentially problem employees.

* See glossary at end of report for definition.

RECOMMENDATION

We recommend that the Bureau develop controls to ensure that the names of all applicants and employees ineligible for State employment are included in the Bureau's database and are removed from DCS employment listings.

AGENCY PRELIMINARY RESPONSE

DCS agreed and will comply with the recommendation by initiating an action plan to address this finding with the implementation of the Human Resources Management Network (HRMN).

FINDING

6. Processing of Applications

The Bureau needs to improve controls to ensure that applications were processed in a timely manner.

DCS had developed guidelines for processing applications. Bureau Operating Policy/Procedure Memorandum No. 4 recommends that within 2 days of receipt of the application, the Bureau should place the information from the application in DCS's database file. The policy also recommends that the Bureau review and process applications for education and experience examinations within 10 business days of receipt of the application and review and process applications for written or performance examinations by the scheduling due date.

We tested 30 applications that included requests for 50 examinations to determine how timely the Bureau was in processing applications. We determined:

- a. Twelve of the 30 applications took more than 2 days to enter into DCS's database file. It took the Bureau between 3 and 42 business days to process the 12 applications. It took the Bureau an average of 4.3 days to enter the applications tested into DCS's database file.
- b. Nine of the applications for 27 education and experience examinations took more than 10 days to process. It took the Bureau between 17 and 47 days to

process the 9 applications. It took the Bureau an average of 16.1 days to process the education and experience examinations tested.

- c. One application for 23 written examinations was not processed by the scheduling due date. It took the Bureau 18 days to process this application.

Delays in processing applications and examination requests may cause the State to miss opportunities to hire the best qualified applicants.

RECOMMENDATION

We recommend that the Bureau improve controls to ensure that applications are processed in a timely manner.

AGENCY PRELIMINARY RESPONSE

DCS agreed and will comply with the recommendation by striving to achieve the desired time frames for processing applications.

Glossary of Acronyms and Terms

appointing authority	The single executive heading a principal department, the chief executive officer of each principal department headed by a board or commission, or the person designated by either of the preceding as being responsible for administering the personnel functions of the department, board, or commission.
Automated Creation and Certification of Eligible Lists System (ACCEL)	ACCEL provides immediate referral of qualified individuals for appointment to vacant positions in the State's classified service.
DCS	Department of Civil Service.
DMB	Department of Management and Budget.
effectiveness	Program success in achieving mission and goals.
efficiency	Achieving the most outputs and outcomes practical for the amount of resources applied or minimizing the amount of resources required to attain a certain level of outputs or outcomes.
emergency appointment	A short-term appointment based upon an urgent need. It shall not exceed 30 calendar days unless terminated earlier by the appointing authority or extended by approval of the Department of Civil Service.
employment lists	Department of Civil Service lists used by departments for hiring employees. These lists include the Layoff/Recall Register and the Standard Certification and Referral List.

internal control	The management control environment, management information system, and control policies and procedures established by management to provide reasonable assurance that goals are met; that resources are used in compliance with laws and regulations; and that valid and reliable performance related information is obtained and reported.
limited-term appointment (LTA)	An appointment that has an ending date at the time of the appointment and is expected to last 720 or more hours. It shall automatically expire at the end of the appointment unless terminated earlier by the appointing authority. LTAs shall not exceed two years from the date of appointment unless approved for extension by the Department of Civil Service.
non-preauthorized	A term referring to the lack of authorization granted by the Department of Civil Service to appointing authorities to establish and reallocate positions in predetermined classes and levels in accordance with standards and procedures published by the Department. The appointing authority must request authorization from the Department to establish and reallocate these positions.
performance audit	An economy and efficiency audit or a program audit that is designed to provide an independent assessment of the performance of a governmental entity, program, activity, or function to improve public accountability and to facilitate decision making by parties responsible for overseeing or initiating corrective action.
PPRISM	Personnel-Payroll Information System for Michigan.
preauthorized	A term referring to the authorization granted by the Department of Civil Service to appointing authorities to establish and reallocate positions in predetermined classes and levels in

accordance with standards and procedures published by the Department.

prohibited practices	Actions defined by the Department of Civil Service that an applicant shall not do. These include: making any false statements or omissions of a material fact, misrepresenting education or experience, engaging in deception or fraud, cheating, and compromising the integrity of the examination process. To be considered for an examination or appointment, an applicant cannot engage in any prohibited practices.
redemption settlement	The fixed amount that the injured party and the employer have agreed to for any current or future expenses related to a workers' compensation injury.
reportable condition	A matter coming to the auditor's attention that, in his/her judgment, should be communicated because it represents either an opportunity for improvement or a significant deficiency in management's ability to operate a program in an effective and efficient manner.
sanction	An action initiated by the Department of Civil Service after finding that an applicant had engaged in any prohibited practices. Actions include: canceling or limiting the applicant's eligibility for State employment, requiring the separation of the applicant from State employment, and imposing any other or additional appropriate actions.
SEMAS	Senior Executive Management Assistant Service.
SES	Senior Executive Service.
waive	To voluntarily give up or forgo a right.

workers'
compensation

A statutorily required insurance to cover job-related accidental injury, disease, or death to covered employees. The insurance provides compensation for lost wages and for medical and legal expenses.

workers' compensation
redemption

A workers' compensation claim that has been canceled and settled for a fixed amount to cover any current or future expenses.